

# CUSTOMER PAYMENT SUPPORT PROGRAM



## SCOPE

Tas Gas Retail (TGR) recognises the benefits of assisting all of its customers in effectively managing their energy bills and actively promotes assistance to any customer experiencing financial difficulty whether it be in the short or long term.

TGR offers the same service to any customer regardless of their personal or financial circumstances. This approach builds confidence and trust between TGR and its customers. Further it enables both TGR and its customers to take early action to prevent long term and unmanageable debt.

This program includes the following:

- flexible payment options for payment of gas bills;
- provision for the auditing of gas usage;
- flexible options for the purchase or supply of replacement gas appliances; and
- processes for the early response to gas bill payment difficulties.

Rather than applying only to one group of customers (i.e. those identified as being "hardship customers"), TGR's program applies to any customer experiencing financial difficulty whether it be temporary or long term.

Please also see the Customer Payment Support Policy, which is published on the TGR website ([www.tasgas.com.au](http://www.tasgas.com.au)) and can be posted or emailed on request to customers, financial councillors and non-profit making organisations.

## DEFINITIONS

This program applies to Tas Gas Retail, a subsidiary of Tas Gas Holdings Pty Ltd, hereinafter referred to as Tas Gas.

Term	Description
Tas Gas	Tas Gas Holdings Pty Ltd includes, but is not limited to, the following subsidiaries: <ul style="list-style-type: none"><li>• Tas Gas Holdings Pty Ltd (TGH)</li><li>• Tas Gas Networks Pty Ltd (TGN)</li><li>• Tas Gas Retail Pty Ltd (TGR)</li><li>• Gas Networks Victoria Pty Ltd (GNV)</li><li>• Gas Pipeline Victoria PTY Ltd (GPV)</li></ul>

## PROGRAM PRINCIPALS

With the objective of minimising the financial stress experienced by any customer, TGR has developed the following principles to assist any customer experiencing financial difficulty:

- acceptance of financial difficulty (on face value);
- flexible approaches based on a customer's capacity to pay;
- regular monitoring and evaluation of payment plans;

- collaborative partnerships with not-for-profit and government support organisations;
- regular and effective communication; and
- disconnection as a last resort.

TGR aims to apply best practice in achieving these principles including:

- early identification of customers who are experiencing payment difficulties;
- ensuring customers have clear and unambiguous information about the assistance that is available to them, and their obligations in return for that assistance;
- sustainable payment plans, where the duration is based on customer consultation and is proportionate to the level of debt; and
- partnerships with specialist service providers to help customers with ongoing payment difficulties.

Various initiatives, as outlined in the following sections, have been put in place to assist the Customer Service Team to be customer-focused.

## Regular training

- In-depth training for all staff both at on-boarding stage and as an annual refresher in the following subjects:
  - handling sensitive conversations in relation to financial difficulty;
  - offering payment plans;
  - working out payment amounts and duration using the payment plan calculator;
  - suggesting referrals to not-for-profit organisations offering assistance; and
  - advising on government assistance schemes.

## Autonomy

- Clear guidelines to all staff to be customer-focused and to ensure all steps taken are with the customer's best interests in mind;
- Full authorisation of all staff to offer payment plans to customers regardless of personal or financial circumstances; and
- No unhelpful or restrictive Key Performance Indicators for the Customer Service Team that focus on requiring staff to achieve non-customer-centric targets.

## Straightforward Pricing

- No "lock in" deals which may force customers into situations where they have no capacity to pay; and
- Standing offer pricing with no seasonal steps or on-peak charges.

## PRINCIPLES IN PRACTICE

### Acceptance of Financial Difficulty

All customer-facing documentation, including TGR's website, customer charter, letters and bills, contains contact details for anyone experiencing payment difficulties and urges customers to contact the Customer Service Team as soon as they are having difficulty paying their bill.

Typically, customers having difficulties paying their bills will contact the Customer Service Team directly but sometimes contact is made via a financial councillor or a non-profit organisation on behalf of the customer. In the latter instance the Customer Service Team will obtain the customer's consent to deal with a third party before continuing. TGR respects a customer's privacy and will only disclose information if it is authorised to do so by the customer.

On other occasions the Team Leader may identify a potential problem from debt reports and other automatic system triggers.

TGR's highly skilled and focused Customer Service Team are all authorised to offer standard payment plans to customers who request such assistance. The Customer Service Team Leader is authorised to offer further flexibility on a case by case basis. No questions are asked in relation to a customer's personal or financial circumstances.

TGR believes that no barriers should be put in the way of a customer seeking a payment plan and actively works with customers to encourage them to engage at an early stage rather than wait until the financial situation worsens. It is TGR's experience that early engagement with any customer experiencing financial difficulty is the main key to success in debt management.

This approach is a critical tool in preventing debt accumulation and reducing disconnections. This objective acknowledges the chronic financial stress experienced by many households. In adopting this blanket objective of providing assistance to all customers without identifying them as being in hardship, TGR has the opportunity to actively assist all customers and to minimise the number of customer defaults.

### Flexible Approach

TGR recognises that any of their customers at any time could find themselves in a situation where they have the intention but not the capacity to pay their bills and actively seeks to find a way to assist those customers to manage their debt.

Customers are encouraged to engage in proposing a payment plan that fits with their capacity to pay. The Customer Services Team representative has a calculator tool available to assist in advising the customer on a suitable amount and frequency to meet their capacity to pay without allowing the debt to build up to unmanageable levels.

### Standard assistance

TGR offers any customer who is worried they may get into arrears with their bills a payment plan. The type of payment plan applied will depend on the customer's circumstance and or request and will include at least 3 of the following options:

- making payments of an equal amount over a specified period;

- options for making payments at different intervals;
- extending by a specified period the pay-by date for a bill for at least one billing cycle in any 12-month period;
- paying for energy use in advance.

### Tailored assistance

Where a customer is already in arrears and needs assistance with repaying the arrears and or lowering their energy costs TGR offers advice and payment plans which include the following measures:

- repayment of arrears over not more than 2 years by payments at regular intervals of up to one month;
- payment options that would enable a customer to repay their arrears over not more than 2 years;
- details of the likely cost of the customer's future energy use and how this cost may be lowered;
- details of any government and non-government assistance (including energy concessions) available to help the customer meet their energy costs;
- practical assistance to help the customer lower their energy costs including, but not limited to:
  - the tariff that is most likely to minimise the customer's energy costs, based on TGR's knowledge of the customer's pattern of energy use and payment history;
  - practical assistance to help the customer reduce their use of energy, based on the customer's pattern of energy use and on the circumstances of where the customer lives, provided there is scope for action to be taken for that purpose; and
  - information about how the customer is progressing towards lowering their energy costs given at sufficient intervals for the customer to be able to adequately assess that progress.

### Payment arrangements

The payment arrangements offered by TGR to its customers are designed to include the following provisions:

- the making of payments of equal amounts at regular intervals of up to one month;
- the residential customer's arrears being fully paid in no more than 2 years after the first payment;
- payments for energy use being made together with payments to reduce arrears; and
- based on a reasonable forecast of the customer's energy use over the next 12 months.

Where appropriate the payment plan may be varied so that it:

- provides for payments of different amounts at different intervals;
- results in the arrears being fully paid by a date later than 2 years after the first payment; or

- provides for payments for energy use being made separately from payments for arrears.

## Customer contact

When a payment plan is agreed to TGR will send a letter to the customer which includes a schedule of payments

The schedule of payments will include:

- the total number of payments to be made to pay the arrears;
- the period over which the payments are to be made;
- the date by which each payment must be made; and
- the amount of each payment.

Letters and payment schedules are also sent to customers when:

- a payment plan is reviewed;
- there is a change to an agreed payment plan; or
- where a payment plan is broken.

## Alternative arrangements

In addition to payment plans, TGR offers customers other options to assist with bill payment including:

- **“Payment smoothing”**. Payment smoothing can be requested by any customer that has been with TGR for over a year. TGR will calculate the customer’s annual consumption and will put in place a payment arrangement that averages annual consumption over an agreed regular interval payment plan. The plans are revised on an annual basis by TGR to ensure that if the customer’s actual consumption is higher or lower than first estimated, the payments are adjusted (in consultation with the customer).
- **Due date extensions**. Customers can request an extension of up to 10 calendar days once per bill.
- **Shorter billing cycles (bill smoothing)** (e.g. monthly). Customers can request more frequent bills to assist in financial management. For example, a customer who is billed quarterly can request monthly billing. As the meter is only read quarterly, TGR will estimate consumption based on prior history for two bills and when the actual meter is read, the estimated consumption will be deducted from the actual read. The balance will be sent out as an actual read bill.
- **Diverse payment options**. Customers can pay by other methods, such as Centrepay, BPAY, Australian Post or online by credit card.

## Regular Monitoring of Accounts and Evaluation of Payment Plans

### Regular monitoring of all accounts

In addition to the automated credit control cycle, which initiates actions such as the generation of reminder letters,

an aged debt report is generated monthly and customers with an outstanding debt over 21 business days are identified. The Team Leader reviews the account of each of these identified customers and contacts the customer to discuss payment options. The customer is called and invited to either pay the account in full or enter into a payment arrangement. If customers have an issue with their bill, that is also addressed, including inviting customers to provide their own meter reading if appropriate.

## Evaluation of accounts where customers are on a payment plan

A payment arrangement equalisation function is run each week. This function identifies any customer accounts which need to be reviewed based on predefined criteria as to the level of debt, predicted usage and their payment plan. A letter is sent to customers whose payments are considered to be too low or too high, setting out the new instalment amount required and the reasons for it. They are also often contacted by phone to discuss altering their payment arrangement.

## Collaborative Partnerships

Developing collaborative partnerships within the community is an important step in tackling issues that may affect energy consumers. This principle is underpinned by the premise that energy affordability is a shared responsibility for all stakeholders - industry, consumers, governments and not-for-profit organisations specialising in providing financial counselling and/or financial assistance. Partnerships between TGR and not-for-profit organisations provide the ideal context for information exchange and innovation on resolving customer financial difficulties. TGR takes the following collaborative approaches:

- proactive engagement and partnerships with financial counsellors and organisations such as Anglicare and the Salvation Army to enhance customer referral opportunities and actively promote various organisations and counsellors to customers;
- active promotion of the Financial Counsellors Helpline 1800 007 007 as appropriate;
- promotion of government assistance packages to customers who may meet the required eligibility criteria; and
- the option of having TGR’s customer service team contact a support agency to facilitate help on the client’s behalf, with the customer’s consent, where the customer is unable to pay their bill but has expressed an inability or unwillingness to make contact with a support agency.

## Regular and Effective Communication

All customer-facing documentation including TGR’s website, customer charter, letters and bills contain contact details for anyone experiencing payment difficulties and urge customers to contact the Customer Service Team as soon as they are having difficulty paying their bill.

The credit control cycle set out below is strictly followed and includes:

- sending out reminder letters;
- setting up payment arrangements;
- identifying broken payment arrangements;
- issuing disconnection warning notices subsequent to reminder letters; and

- using best endeavours to contact the customer after issuing warning notices and before requesting disconnection of the premises, including by phone, email or text.

For customers who do not adhere to their payment arrangements, the Customer Service Team will decide the next action based on a number of factors, which may include:

- simply monitoring the account (if outstanding amount is less than \$55 including GST);
- calling the customer by phone; and/or
- sending a formal letter to advise them they risk possible disconnection if they do not either pay the agreed amount or contact TGR as soon as possible to discuss payment options.

TGR suspends its credit cycle and disconnection processes one week before Christmas and resumes them in the New Year.

In any event, no premises will be disconnected in the following circumstances:

- where a customer is adhering to an agreed payment plan;
- where a premises is registered as having life support equipment connected to an energy supply; or
- during a protected period as set out in the legislation which includes:
  - any time before 8:00 am or after 2:00 pm, Monday to Thursday;
  - any time on a Friday, weekend or public holiday;
  - the day before a public holiday; or
  - between 20 December and 31 December inclusive.

In addition to the standard processes outlined above the initiatives below are aimed at assisting with communication.

### Access to the Customer Service Team

- Customer free call number 1800 750 750.
- Call centre staff are able to identify if a customer is calling from a mobile phone and offer a call back service.
- Auto call queue options include a request for a call back, leave a message or access the "pay by credit card" function.
- TGR uses text and email to communicate with customers.
- Proactive communication is used for customers identified as experiencing financial difficulty either by a third party or by the Customer Service Team – via phone, email, text and letter.
- Any customer can contact TGR with a query regarding their account or request for a payment arrangement via its website.

### Proactive energy saving advice

- Energy saving tips and other useful information are available on the website.
- Call centre staff are trained to offer simple energy saving and cost reduction suggestions to customers.

TGR's website includes links to energy saving tools and tips on other websites

## Concessions and non-financial consumer assistance

Where TGR's customers are eligible to receive concessions through a government department, TGR will make them available to its customers. TGR will undertake the following actions for its customers:

- promote any government-funded schemes to customers who may meet the required eligibility criteria;
- establish eligibility for relevant discounts either at the point of application or on request (discounts may be back-dated if the provider allows), and provide ongoing monitoring of eligibility for customers with Centrelink;
- apply discounts to energy usage in accordance with the relevant concession discount rules;
- provide details of how to contact the Energy Ombudsman in Tasmania.

The Customer Services Team have a range of other options to offer customers. On a case by case basis, the assistance they can provide that may include:

- over the phone energy audits to assist customers to identify possible ways to reduce their consumption;
- referral to an energy expert or not-for-profit organisation in their local area who could provide a home visit energy audit;
- details of any other available grants, rebates and capital goods assistance programs.

### Open communication

- The key to ensuring the success of debt management is dependent on the participation of both TGR and the customer in keeping to the agreed arrangements and continuing with open communication.
- As TGR's customer base is largely drawn from poorer socio-economic areas the Customer Service Team are very experienced in assisting customers who experience difficulties in paying their bills. In addition, as the customer base is relatively small, they are able to establish close relationships with their customers and to establish and maintain open communication with them.

### Disconnection as a Last Resort

The TGR standard credit control cycle, set out below, requires that the customer is only sent a disconnection warning notice if they fail to pay their bill after they have been sent a reminder letter and the reminder notice period contained therein has expired AND they have failed to enter into a payment arrangement (or they are no longer entitled to enter into a payment arrangement because they have already been offered two arrangements and failed to adhere to them).

Once the disconnection warning period of 6 business days has expired there is a further 2 business days during which time the Customer Service Team will carry out their best endeavours to contact the customer via phone, email and text message to provide clear and unambiguous information about the assistance that is available.

If the customer still does not engage with the Customer Service Team and fails to make a payment by the payment

date; does not put forward a proposal to vary the amount payable or the frequency of payments or refuses or fails to take reasonable action towards remedying the matter, there will be a request sent to the Distributor to arrange for disconnection. A final check to see if payment has been received will be made on the day of disconnection before disconnecting.

In any event disconnection will not occur on Fridays, at weekends, on public holidays or the day before a public holiday or during the Christmas period (20 to 31 December inclusive) or before 8:00 am or after 2:00 pm on any business day.

TGR considers disconnection to be a last resort and will use best endeavours to avoid having to disconnect any customer. TGR will not disconnect any customer who is adhering to a payment plan; is registered as a life support customer; has formally applied for financial assistance under a government-funded scheme to pay their bill or has made a complaint to the Ombudsman which is unresolved.

### MEASURING OUTCOMES

Measuring the outcomes of this program and the associated policy provides us with the opportunity to understand what works well and what can be improved.

In particular TGR monitors each month and aggregates on an annual basis: the number of customer complaints, disconnections for non-payment, number of payment reminder letters issued, number of disconnection warning notices issued, number of payment plans, average value of payment plans, number of payment plans defaulted and aged debt over 60 days. TGR also carries out regular surveys to gauge customer satisfaction.

Success of the principles is measured against a decrease in customer complaints; an increase in payment plans; and a reduction in disconnections for non-payment. Any enquiry carried out by the Ombudsman, on behalf of a customer, will find that TGR has met all of its customer and compliance obligations and that its dealings with each customer have been fair and reasonable.

### RESULTS

TGR has a sound approach to implementing better practice with a clear focus of the results that are to be achieved. Meeting the following objectives ensures that positive results are fulfilled as a result of this policy:

- early identification of customers who are struggling to pay their energy bills;
- significantly lower long term debts;
- strong partnerships developed and maintained between retailers and financial counsellors;
- low numbers of customer complaints received by TGR; and
- very low numbers of complaints received by the Ombudsman.

### EVALUATION AND REVIEW

TGR is committed to supporting its customers, and strongly supports refinement and continuous improvement of the better practice elements. The processes implemented include:

- regular evaluation and review of this program and the associated procedures and business practices;

- a willingness to communicate and discuss the results with key stakeholders (including relevant welfare organisations and government departments) including monthly reports and email updates; and
- creating opportunities for stakeholders to collaborate and provide feedback on issues.

### INVOICE PAYMENT FLOW CHART

